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STATE ALSO PASS TO USAID  
USAID/W FOR A/AID ANDREW NATSIOS, JBRAUSE  
DCHA/OFDA KISAACS, GGOTTLIEB, MMARX, RTHAYER,  
BDEEMER  
AID/W FOR DCHA/OFDA  
DCHA/FFP FOR LAUREN LANDIS  
DCHA DEPUTY ASSISTANT ADMINISTRATOR WILLIAM  
GARVELINK  
ANE DEPUTY ASSISTANT ADMINISTRATOR MARK WARD  
BANGKOK FOR OFDA SENIOR REGIONAL ADVISOR TOM DOLAN  
KATHMANDU FOR OFDA REGIONAL ADVISOR WILLIAM BERGER  
GENEVA FOR USAID KYLOH  
ROME PASS FODAG  
NSC FOR MELINE  
CDR USPACOM FOR J3/J4/POLAD  
USEU PASS USEC

E.O. 12958: N/A

TAGS: [AID](#) [AEMR](#) [PREL](#) [PGOV](#) [CE](#)

SUBJECT: SRI LANKA - EARTHQUAKE AND TSUNAMIS:  
USAID/DART SITREP #22 - VISIT TO SOUTH COAST

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Summary  
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[¶11.](#) The USAID/Disaster Assistance Response Team (DART) field officer (FO) and USAID/Colombo Project Development Specialist (PDS) traveled to Hambantota and Galle districts on Sri Lanka's south coast from April 26 to 28 to monitor USAID/Office of U.S. Foreign Disaster Assistance (OFDA)-funded programs and review the progress of tsunami recovery efforts. USAID staff met with representatives from Sarvodaya, Christian Children's Fund (CCF), GOAL and Arthacharya Foundation during the course of this field visit. All of these agencies are involved in tsunami clean-up projects, construction of transitional housing, sanitation and hygiene interventions or micro-credit initiatives. Sarvodaya, GOAL and CCF are well into their cash for work initiatives. All of these NGOs reported good progress in debris clean-up, road repair, latrine construction and other communal infrastructure efforts. As in other tsunami-affected areas of Sri Lanka, the issue of the buffer zone and uncertainty over government intents and government-issued entitlements has prevented greater progress in the construction of transitional shelter or permanent homes for those displaced by the tsunami. In the area of micro-credit, programs funded by USAID/OFDA are just beginning to reach households in tsunami-affected areas and seem to be having a positive impact. End summary.

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Cash for Work on the South Coast  
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[¶12.](#) Driving along Sri Lanka's southern coast between Kirinda and Galle, USAID staff viewed numerous cash-for-work projects sponsored by GOAL and CCF with funding from USAID/OFDA. Men and women clustered together in work groups making basic repairs to the roads and digging drainage culverts with hand tools provided by the NGOs.

[¶13.](#) GOAL reported that their first visit to the village of Kirinda in Hambantota district just a few days after the tsunami struck was jarring. They saw few signs of life amidst the almost complete destruction of the area. Using OFDA funding, GOAL started cash-for-work projects that helped bring Kirinda back to life. People came out to participate in efforts to clean the local temple, beaches, drainage system and roads. GOAL employed more than 500 people from Kirinda over a three-month period.

[¶14.](#) GOAL's local representative noted that they are starting to review cash-for-work projects in light of the changing environment along the southern coast. A significant number of people are now able to begin working in their pre-tsunami professions (albeit on a minimal scale in many cases). GOAL does not want cash-for-work projects to serve as a disincentive for individuals to delay rebuilding their former livelihoods. For the future, GOAL will attempt to be more selective in

their criteria for participants in cash-for-work projects. They will attempt to employ only those individuals who cannot return to their previous jobs or who cannot earn enough income for basic subsistence.

15. CCF escorted OFDA staff to Malala lagoon near the town of Udumalala in Hambantota district. CCF has organized a cash-for-work project in cooperation with local authorities to repair damage to the road running through a local bird sanctuary to a lagoon that is used by both rice farmers and fisherman for their livelihoods. CCF has employed a number of tsunami-affected individuals to fix the road and create drainage culverts to decrease flooding during the rainy season. One woman interviewed on the work crew stated that she had lost her sewing machine and shop to the tsunami. She was hoping to save some income from the cash-for-work project to re-start her small business.

16. CCF has also engaged local people to clear a channel that runs from Malala lagoon to the ocean. The channel had been partially blocked by the tsunami, hampering the normal drainage of water

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from the lagoon to the ocean. This cash-for-work project will restore the lagoon to pre-tsunami levels. CCF is also using this opportunity to help create a community-based organization (CBO) composed of farmers who depend upon the lagoon for irrigation for their rice fields and fisherman who fish in the lagoon when rough seas prevent them from going to the ocean. This newly-formed CBO will work to monitor conditions in the lagoon and help to establish water levels that suit both fishermen and farmers. Previously, there has been some conflict between farmers who want a lower water level in the lagoon to avoid flooding of their rice paddies and fishermen who want a higher level in order to accommodate more fish in the lagoon. It is hoped that this new CBO will help with conflict resolution over this shared resource.

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#### Shelter Issues Along the South Coast

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17. The question of shelter remains a high priority for relief agencies involved in the tsunami recovery process along the south coast of

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Sri Lanka. Certainly, progress has been made. In Kirinda, a private donor funded the construction of 27 permanent homes for families whose houses had been destroyed by the tsunami on December 26, 2004. The houses were already occupied by the inhabitants at the time of the OFDA visit although minor work still remained to be completed. The new concrete houses are well beyond the 100 meter buffer zone required by the GOSL. Additional permanent houses are being built on a bluff nearby for the remaining population of Kirinda that lost homes to the sea.

18. The issue of the buffer zone and the lack of available land near the coast have stymied the rapid construction of permanent homes in other areas. However, NGOs have been able to put up significant stock of transitional housing to shelter people until a solution is found for permanent housing. In the town of Ambalantota, GOAL identified 140 families in need of replacement housing. Since no immediate solution is likely for permanent housing due to the decree against building in the buffer zone and the lack of available land in nearby areas, GOAL has planned construction of 140 transitional homes and has completed all but eight of these houses in Ambalantota.

19. Driving the stretch of coastal road between Galle and Hikkaduwa, USAID staff viewed a number of tent settlements nestled in open spaces. Due to a lack of time, USAID staff were not able to visit these tent cities and interview their inhabitants regarding their shelter situation. However, discussions with several international and national aid agencies on the topic of the tents shed some light on the reason for continued use of these tents.

10. UNHCR's shelter coordinator (Jo da Silva) noted that great progress is being made in the shelter sector and that a large number of

transitional shelters are being constructed along the south coast of Sri Lanka for those displaced by the tsunami. She noted that it is important to recognize that the situation in the shelter sector varies widely from location to location. The progress or lack of progress is often dependent on conditions that are particular to individual districts or even individual communities. She is currently working on a report that will identify the particular constraints on greater progress in the shelter sector in each of Sri Lanka's 11 tsunami-affected districts. This report will be

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completed in the next few weeks and will also feature views on a way forward and a section describing solutions for the particular problems that confront the rebuilding process in each of the varied districts.

¶11. One major determinant is the leadership of local authorities. The attitude of GOSL officials differs radically from one district to the next and it is this divergent approach of the various officials that has a major impact on efforts to construct transitional or permanent shelters. For example, government officials in Hambantota district have exhibited little interest in the concept of transitional housing. Government officials in Hambantota prefer to focus on permanent housing solutions leaving NGOs without a partner in their attempts to get people out of tents and into more suitable transitional homes while they wait for permanent housing to be built.

¶12. Numbers of families displaced by the tsunami remain in tents for a variety of reasons. Some displaced persons wish to remain near their villages of origin. In many cases, transitional housing in many cases is being offered far from their former homes that now exist in the government-declared buffer zone. The tents allow them to remain in the proximity of the former villages and social networks. Some tsunami displaced persons remain in tents fearing that they will lose their entitlement to support from the GOSL if they move into transitional housing. There appears to be no basis for this rationale other than misinformation circulating among the displaced. There are no indications that the GOSL is withdrawing monthly cash grants to displaced families occupying transitional shelters.

¶13. Although many tent villages dot the road along the southern coast, UNHCR's senior shelter advisor cautioned that many of the tents are empty and only serve as bases for the displaced to collect aid distributions since many agencies are not reaching displaced persons settled with host families. There is also the problem of migration as displaced persons move from one area to another in search of employment or better conditions. As many of the tents become unbearably hot during the day, a large percentage of the displaced seek accommodation with family, friends and neighbors until nightfall when they return to the tents.

¶14. In sum, a large number of transitional shelters for the tsunami-displaced population have been erected in the southern districts of Sri Lanka, but the supply has yet to meet the demand for upgraded accommodation with many displaced persons still in tents. The efforts to move families into transitional shelters are complicated by the buffer zone which has removed a large portion of land from use in housing programs. In addition, government authorities in Hambantota and other districts have offered little support for transitional housing, preferring instead to move ahead with a focus on the construction of permanent houses. The situation varies from district to district, division to division and village to village and there is not one single solution applicable to all areas. Steps forward will have to be tailored for differing areas by donors, UN agencies, NGOs, local communities, the private sector and the government in order to find a suitable answer to meet the housing needs of families displaced by the tsunami.

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USAID Micro-Credit Gets Moving  
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¶15. Nathan Associates, Inc. received \$10 million from USAID/OFDA for post-tsunami recovery programs

in Sri Lanka. One of the principle components of their program seeks to help tsunami-affected individuals and families regain livelihoods that were either lost or negatively-affected by the disaster. During the visit to the south coast, USAID staff visited two branches of the Arthacharya Foundation, a local NGO that has partnered with Nathan Associates to provide micro-credits to tsunami-affected persons.

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**¶16.** During the month of April, the Arthacharya Foundation's office in Galle received 1.2 million Sri Lankan rupees (approximately US\$ 12,000) and dispersed the entire amount in the form of loans to 81 individuals. Their office in Hikkaduwa received 1.6 million Sri Lankan rupees (equivalent to roughly US\$ 16,000) and dispersed this amount in the form of 161 loans to tsunami-affected individuals.

**¶17.** Visits were made to four households that had received loans from the Arthacharya Foundation with funding provided by USAID/OFDA to Nathan Associates. The first household's primary source of income was the production of jewelry for the tourist industry. The tsunami had hit their house in the village of Gintota (near Galle). Although the house suffered only minor damage, the water swept away or destroyed many of their personal belongings. The family lost all of their tools and equipment for the production of jewelry. A loan of 35,000 rupees (US\$ 350) has enabled them to purchase new equipment and tools and begin production for their home business.

**¶18.** The second household visited had a communication center along the beach in Gintota. The tsunami hit the building wiping out their inventory of equipment including computers, fax machine, and photo-copier. The Arthacharya Foundation provided a loan of 15,000 rupees (US\$ 150) for the communication shop. The owners have re-opened and are back in business.

**¶19.** The Arthacharya Foundation's office in Hikkaduwa is working particularly with households whose livelihoods were directly affected by the tsunami. One family in the village of Udugalpitiya

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found itself in a difficult position as the head of household who normally worked as a day laborer lost opportunities for employment in the aftermath of the tsunami. Using the loan of 5,000 rupees (US\$ 50) they purchased pots and pans to double the household production of curd to enhance income. Before the tsunami, they were only able to produce 20 pots of curd per day. With the new equipment procured with the loan, they are now able to make 40 pots of curd per day and are considering the purchase of a bicycle to help expand their market.

**¶20.** Another household in Udugalpitiya has fallen upon hard times as the chief income earner lost his carpentry tools to the tsunami. They have applied for a loan to the Arthacharya Foundation through a community-based organization and hope to purchase new equipment to begin work again.

**¶21.** Neither of the USAID staff reviewing the micro-credit program administered by Nathan Associates is an expert in this field. They were only able to make basic observations and a more thorough review of the program by a subject matter expert would be advised. It is clear, however, that money is getting to people who need it in tsunami-affected areas through the loan mechanisms. The Arthacharya Foundation offices visited in Galle and Hikkaduwa were staffed by energetic young managers who clearly had strong ties with the surrounding communities and a history of interventions with community based groups.

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